

Under the provisions of Section 413.031 of the Texas Workers' Compensation Act, Title 5, Subtitle A of the Texas Labor Code, effective June 17, 2001 and Commission Rule 133.305, titled Medical Dispute Resolution-General, and 133.307, titled Medical Dispute Resolution of a Medical Fee Dispute, a review was conducted by the Medical Review Division regarding a medical fee dispute between the requestor and the respondent named above.

### **I. DISPUTE**

1. a. Whether there should be additional reimbursement for date of service 02/23/01?  
b. The request was received on 02/07/02.

### **II. EXHIBITS**

1. Requestor, Exhibit 1:
  - a. TWCC-60 and Letter Requesting Dispute Resolution
  - b. HCFA-1450s
  - c. EOBs
  - d. Reimbursement data
  - e. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.
2. Respondent, Exhibit 2:
  - a. TWCC-60 and Response to a Request for Dispute Resolution
  - b. EOBs
  - c. Any additional documentation submitted was considered, but has not been summarized because the documentation would not have affected the decision outcome.
3. Per Rule 133.307 (g)(3), the Division forwarded a copy of the requestor's 14-day response to the insurance carrier on 05/20/02. Per Rule 133.307 (g)(4), the carrier representative signed for the copy on 05/22/02. The response from the insurance carrier was received in the Division on 06/03/02. Based on 133.307 (i) the insurance carrier's response is timely

### **III. PARTIES' POSITIONS**

1. Requestor: per the TWCC-60b  
"Not paid at fair and reasonable."
2. Respondent: per letter dated 05/31/02  
"Carrier has determined that \$2,236.00, two times the fair and reasonable amount for inpatient hospital stays, is fair and reasonable...Provider has not justified why charging 17 times the amount inpatient hospitals receive is fair and reasonable."

### **IV. FINDINGS**

1. Based on Commission Rule 133.307 (d)(1&2), the only date of service (DOS) eligible for review is 02/23/01.
2. The provider, an ambulatory surgery center, billed a total of \$18,095.00 on the DOS in dispute.
3. The carrier reimbursed \$2,236.00 for the DOS in dispute and its EOB has the denial "M – NO MAR SET BY TWCC – REDUCED TO FAIR AND REASONABLE."
4. The amount in dispute is \$15,895.00 the difference between the billed amount and the amount reimbursed.

## **V. RATIONALE**

The medical documentation indicates the services were performed at an ambulatory surgery center. Commission Rule 134.401 (a)(4) states ASCs, "shall be reimbursed at a fair and reasonable rate..."

Section 413.011 (d) of the Texas Labor Code states, "Guidelines for medical services must be fair and reasonable and designed to ensure the quality of medical care and to achieve effective medical cost control. The guidelines may not provide for payment of a fee in excess of the fees charged for similar treatment of an injured individual of an equivalent standard of living and paid by that individual or by someone acting on that individual's behalf. The Commission shall consider the increased security of payment afforded by this subtitle in establishing the fee guidelines."

The carrier has submitted documentation explaining how it arrived at what it considers "fair and reasonable" reimbursement and compares that amount with the hospital inpatient surgical per diem. The provider has submitted three EOBs from other carriers as examples of "fair and reasonable" reimbursement for same or similar services. These EOBs were all paid at 85% of the billed amount. Regardless of the carrier's methodology or response, the burden is on the provider to show that the amount of reimbursement requested is fair and reasonable. An analysis of recent decisions of the State Office of Administrative Hearings indicate minimal weight is given to EOBs for documenting fair and reasonable reimbursement. The willingness of some carriers to provide reimbursement at or near the billed amount does not necessarily document that the billed amount is fair and reasonable and does not show how effective medical cost control is achieved, a criteria identified in Sec. 413.011 (d) of the Texas Labor Code. The EOBs provide no evidence of amounts paid on behalf of managed care patients of ASCs or on behalf of other non-workers' compensation patients with an equivalent standard of living. Therefore, based on the evidence available for review, the Requestor has not established entitlement to additional reimbursement.

The above Findings and Decision are hereby issued this 19<sup>th</sup> day of June, 2002.

MDR Tracking Number: M4-02-2411-01

Larry Beckham  
Medical Dispute Resolution Officer  
Medical Review Division

This document is signed under the authority delegated to me by Richard Reynolds, Executive Director, pursuant to the Texas Workers' Compensation Act, Texas Labor Code Sections 402.041 - 402.042 and re-delegated by Virginia May, Deputy Executive Director.